

LOCAL GOVERNMENT LIABILITY POOL
BOARD MEETING
Cheyenne, Wyoming
Thursday, August 2, 2018

Board Members in Attendance:

Brad Basse, Chairman, At-Large Member
Don Richards, Vice Chairman, Shoshone Municipal Pipeline (via telephone)
Kelly Krakow, Treasurer, Mayor of Town of Albin
Linda Smith, Secretary, City of Rawlins
Donna Geho, Glenrock Area Solid Waste Disposal District
Tom Ringley, Sheridan County Commissioner

Board Members Absent:

Robert "Bob" King, Lincoln County Commissioner

Staff and Guests in Attendance:

Mark Pring, Executive Director
Mike Todd, Deputy Director
Bill Miller, Loss Control Manager
Shuler Boone, Claims Representative

● **APPROVAL OF MINUTES**

Chairman Brad Basse called the meeting to order at 8:03 A.M. There were no introductions. Kelly Krakow made a motion the board approve both the general session and executive session minutes from the April 26, 2018, board meeting. Linda Smith seconded the motion. There was no discussion, and the motion passed unanimously.

● **PRIMA CONFERENCE UPDATE**

Bill Miller commented, in his opinion, the recent PRIMA Conference had been average when compared to others. He had enjoyed Gordon Graham's presentation on volunteer information trends across the United States. There was a short discussion on how the Pool is being proactive in requesting members have job descriptions for each volunteer. Bill stated some members were not documenting anything an employee does something wrong, yet when the performance review is done, everything is good. Mark Pring commented performance appraisals are rarely done correctly. Brad Basse stated when negative items are put on a performance appraisal, it can create a morale issue. Bill commented when a case goes to court, and all performance appraisals are good, it presents an issue. The courts want to see that the employee has a chance to fix the deficiencies. Mujtaba Dattoo with AON, the Pool's actuary, had given a good seminar on the law of large numbers. Bill said he, Mark Pring, and Mike Todd had discussed the availability of cyber security coverage so it could be available to the Pool's members.

- **FISCAL YEAR 2019 RENEWALS**

Mark announced the membership renewal process for fiscal year 2019 was wrapping up. Only a handful of members had not paid their contribution. Last year a 15 percent credit had been given for renewal contributions, and the credit was repeated for the fiscal year 2019 contributions. Bill Miller said he had been hearing more comments about the credit than last year.

- **FINANCIAL AUDIT**

Mark Pring stated the office was in the process of audit preparation. This would be the final year of the three-year contract with McGee, Hearne & Paiz. Financial documents had already been sent to them electronically. Accountants would be coming to the office to do their field work in September. During this time, the accountants will physically examine files. Mark said he had been impressed with their knowledge of how the Pool works. The accountants give and get information from the Pool's actuary. Chairman Brad Basse asked at what point a request for quotation would be prepared. Mark replied, "Soon". He added that last time a request for quotation was sent to 8 or 9 different firms, but only 2 or 3 responded. Travel expenses did not make those firms operating out of Cheyenne competitive. Tom Ringley asked if there was a requirement that the Pool have a different set of auditors. Mark replied that there was no regulation or statute that required a change. The current contract with McGee, Hearne & Paiz was their second three-year contract.

- **AON ANNUAL REPORT PREPARATION**

Mark Pring stated the Pool did not send out a request for quote for actuarial services. AON, formerly ArmTech, had been the Pool's actuary since its inception. Normally, we have already sent the information on the claims; however, there had been some difficulty in running the reports needed from the current claims software. AON shares data with the financial auditors.

- **BOARD MEMBER'S TERMS EXPIRING DECEMBER 31, 2018**

Mark announced Don Richards', Linda Smith's, and Kelly Krakow's terms on the board would be expiring December 31, 2018. He asked each one if they were still interested in continuing to be on the board. Don Richards and Kelly Krakow said they were still interested. Linda Smith also said she was interested in continuing to be a board member, but she would not know if she would still be on the city council until August 22nd. Mark stated typically, the board nominates those board members that want to run for re-election. Donna Geho made a motion that Don Richards, Linda Smith and Kelly Krakow be nominated for re-election and that their names be placed on the ballot for re-election. Tom Ringley seconded the motion. Chairman Brad Basse thanked all three for continuing their interest in being on the board as he felt that the lack of turnover was a current strength of the board. There was a vote, and the motion passed unanimously.

- **EXECUTIVE DIRECTOR'S REPORT**

A. Entity Additions and Cancellations

Mark Pring stated Kemmerer-Diamondville Water/Wastewater Joint Powers Board had cancelled their membership; and Big Horn Fire Protection District #5 did not renew their membership for fiscal year 2019. Converse County Justice Center and Tri-City Parks and Recreation were new members. Mark stated the Pool currently had 524 members; and had 424 members in August of 2009. Don Richards asked the process for getting the handful of members that had not paid their renewal contribution. Mark replied that Delene Applegate contacts them, which can be challenging since some are very small and do not regularly check their post office boxes or email.

B. Budget Report

Mark Pring referred the board to the financial reports in their board packet. He announced the Pool was finishing up fiscal year 2018. Some items were over the budgeted amounts, but overall, the expenses were under the total budget figure. Assets had increased slightly since last year after considering the board gave members a 15 percent credit in their contributions (which amounted to approximately \$500,000). The Pool's figure for its projected financial position had also increased. Chairman Brad Basse commented the figure for the amounts with the investment accounts had decreased. Mark replied when interest rates increase, bond prices decrease. Chairman Basse also asked about the new WYOSTAR account. Mark replied it was still not up and running. He commented he expected the actuary's amount for reserves for pending claims would increase due to litigation. Don Richards commented if you have a greater return on investment, there is increased risk. There was a short discussion regarding whether the Pool should consider different investment vehicles. Mark stated the financial position of the Pool was good as it increased assets while giving its members a 15 percent credit, despite increased litigation. There was also a discussion regarding whether or not it would be beneficial to have an attorney on staff.

C. Claims Software

Mark Pring stated he had concerns with the current claims software. Mike Todd had been instrumental in investigating options. Mike Todd explained basically, the staff inputs individual claims data into the database and extracts that data in report format. Information is given to entities, the board, the auditors, and the actuary. Every pool uses claims software to some degree. The Pool was currently using Risk Envision claims software, which was a part of Ebix, an international company. Presently, the Pool pays \$5,500 per year and uses a hard-drive backup, which he takes home each week. The Pool pays for five user licenses and it costs an additional amount for Medicare and Medicaid reporting. Upload capabilities are limited to megabytes, and there are accessibility blackouts. The timeout period cannot be changed, so everyday users must constantly log back in. There was no ability to enter an incident and make it a claim later. There are security and continuity issues and limited reporting capability. There had been upgrades and patches, but with each, the Pool has to pay an I.T. person to assist. Emails to Risk Envision reporting a problem usually require a week to get a response. Mike said he and Mark Pring had met with Paul Coffman with Recordables claims software. They received an estimated cost per year, and it would be cloud-based. The pricing would be for unlimited number of licenses and would be guaranteed for five years. There would be a one-time conversion cost and implementation fee. Mike said he had spoken to four references, and all four responded the same day and could not say enough about the good customer service. The

disaster recovery would be very good since the data would be on the cloud, so if there was a disaster, we could be back up within a day. Upgrades, training, and remote access were all included in the price. There would also be an option for anonymous users. Users could actually enter their own claim. The loss control department could access loss runs while on the road. There could be further customization to include financial importation and check writing. The negative would be the initial cost, conversion and paying an I.T. person to assist. The current contract with Risk Envision would expire in June. The recommendation from Recordables was that the Pool run a redundant system until they are fully operational. Tom Ringley asked how the new claims software system would fit into the budget. Mark replied that the new claims software was not in the budget, but there was enough in the budget to cover the expense. After some discussion, Linda Smith made a motion to allow the staff to purchase Recordables claims software. Donna Geho seconded the motion. There was no further discussion, and the motion passed unanimously.

The board meeting recessed at 9:40 A.M. and reconvened at 9:53 A.M.

D. Bill Miller's Report

Bill Miller stated the past quarter the loss control department had visited 21 members and taught 54 classes. Judi Just also had conducted 8 safety inspections. He had worked on 6 policy and procedure manuals, and had met with some of the boards. The loss control department had attended more than 3 conferences the past quarter, Wyoming Association of Municipalities (WAM), Public Risk Management Association (PRIMA), and Rural Water and Solid Waste. Bill announced Kristi Skinner had resigned. He had advertised the vacant position on the websites for SHIRM, PRIMA WAM, Workforce Services and Indeed free service.

• EXPENDITURES FOR MAY, JUNE AND JULY

There were a few minor questions concerning the expenditures for the quarter. Chairman Brad Basse asked for a motion to approve the expenditures. Kelly Krakow made a motion the board approve the expenditures and the credit card bills for the past quarter. Donna Geho seconded the motion and it passed unanimously.

• EXECUTIVE SESSION

Linda Smith made a motion the board meeting enter executive session portion to discuss claims and personnel issues. Donna Geho seconded the motion, and it passed unanimously. The executive session began at 10:11 A.M.

Kelly Krakow made a motion the executive session be concluded and the regular board meeting resume. Tom Ringley seconded the motion, and it passed unanimously. The regular board meeting resumed at approximately 11:10 A.M. The board agreed unanimously there was no action required by the executive session that required a motion.

• BUILDING MAINTENANCE PROGRESS

Mark Pring announced the water heater had been replaced and lights had been converted to LEDs. He had filed for a rebate for the LED conversion. The retaining wall had been completed as well as sandblasting and painting of the deck railing, and the new deck. The concrete below

the deck had been replaced and sloped for better drainage. Work was about to begin on the parking structure as the materials had been delivered.

- **OLD AND NEW BUSINESS**

Don Richards stated another phone system needed to be considered as he had been having trouble listening to the meeting. The system must be voice-activated as there would be a delay when someone started speaking and he could not hear the first few words of the conversation.

- **NEXT BOARD MEETING**

The board decided the next board meeting would be held at 8:00 A.M., on Thursday, October 25, 2018, at the Cheyenne office.

- **ADJOURNMENT**

Linda Smith made a motion the meeting adjourn. Don Richards seconded the motion, and the vote was unanimous. The board meeting adjourned at 11:45 A.M.

Approved:

Brad Basse, Board Chairman

Date